



MONEST GOVERNMENT

GIGANTIC CORRUPTION

WHICH?

BLAINE'S RECORD — MULLIGAN LETTERS — PACIFIC
RAILROADS — THURMAN FUNDING BILL, &c.

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CHICAGO:

Jameson & Morse, Printers, 162-4 Clark Street. 1884.





329.11 W/130H

Honest Government or Gigantic Corruption, Which?

BLAINE'S RECORD—MULLIGAN LETTERS—PACIFIC RAIL-ROADS—THURMAN FUNDING BILL, &c.

BY CHARLES S, WALLER.

Although partisan newspapers and professional politicians are active in trying to conceal the fact, and the strong prejudices and blinding influences of party zeal may keep many good men from seeing it, it is nevertheless true that the one important and vital question in the present presidential canvass is that of official honesty, obedience to law, and fidelity to the people, as against official dishonesty, disregard for law, and a persistent and insidious robbery of the people. The bold and unscrupulous use of money to control the votes of the people's representatives, and the actions of men in office to whom are committed important trusts, have grown to be an evil of such colossal proportions as to endanger not only the prosperity, but the liberties, of the people. It is slowly yet surely sapping the foundations of our government, destroying all regard for official integrity and public virtue; and unless summarily dealt with and overthrown must result in great disaster and infamy to the whole nation.

Heretofore capital in the hands of corrupt men has been contented with the purchase of legislators,—municipal, state and national,—for the purpose of obtaining exclusive privileges, and of setting up vast money-making monopolies, but now, growing bolder by success, our money kings aspire to the control of the government itself; and we have the startling danger confronting us of the unchecked corruption and grinding power of such an oligarchy, through the nominal presidency of their chosen, long-tried, and ever-faithful servant, James G. Blaine.

I propose to show in this paper, to those who desire to know the truth, such facts as will clearly uphold the foregoing premises, and make apparent to all good men the extreme danger to the country which underlies the election of Mr. Blaine. The threatened danger is from the great stock-jobbing, railroad-manipulating monopolists of the country, to whom Mr. Blaine has always been subservient, and who hold such overwhelming proofs of his venality and oft-repeated acts of treachery to the people that he dares not now refuse to do the bidding of those to whom he has thus irrevocably committed himself.

p 23743

In regard to the famous "Mulligan letters," the exposures they give have been extensively ventilated by the newspapers, and have been commented upon with masterly ability and convincingness by Mr. Carl Schurz in his great speech in the opera-house at Brooklyn. I do not think it necessary, therefore, to dwell on this part of Mr. Blaine's record, except to show in passing that his actions throughout in this matter are in themselves irresistible proofs of his guilt. Integrity and concealment are not bosom friends, and conscious innocence does not resort to falsehood.

At the time Mr. Blaine pretended to read these letters in the House of Representatives he said: "I have now read those fifteen letters, the whole of them. The House and the country now know all there is in them. They are dated, and they correspond precisely with Mulligan's memorandum, which I have here." Now, a comparison of the two lists shows that they do not so correspond, as anyone who will examine for himself will see. Several letters were read that were not in the Mulligan package, as shown by the memorandum. Why did Mr. Blaine add these? Several letters were omitted to be read that are listed in the memorandum. Why did Mr. Blaine suppress these? The inference is very plain.

Mr. Hunton, the chairman of the sub-committee before whom Mulligan appeared as a witness, stated in his speech in the House of Representatives that Mulligan testified that Blaine, in his effort to get these letters from him, said, "with tears in his eyes, almost if not quite on his knees, 'If you do not deliver those letters to me I am ruined and my family disgraced';" that he also threatened to commit suicide; that Mulligan refused to give up the letters, replying: "Mr. Blaine, I see by the evening paper that my testimony given to the committee to-day is to be impugned, and in case my character and testimony are assailed, I want these letters to justify me in my testimony before the committee;" that Mr. Blaine asked, "Do you suppose I am going to assail you?" and that Mulligan replied: "If you do not assail me, others may, and my character is too dear to me not to vindicate it if I can." That Mr. Blaine then tried politics with him, and asked Mulligan: "Are you content with your station?" to which Mulligan replied that he would like to improve it if he could. Blaine said: "Would you like a political office?" Mulligan replied that he did not like politics, and did not care about it. Mr. Blaine then asked how he would like a foreign consulship. Mulligan said he would not like it. And after that Mr. Blaine said: "Let me see the letters to peruse them," etc. Mr. Hunton said in his speech that Mulligan "was a witness summoned from Boston; he did not appear as a volunteer in the case; he came under the compulsory process of the house." (Congressional Record, Vol. IV., part 4, Forty-fourth Congress, first session, pages 3,611, 3,612.) The first impulse of an innocent man would have been to impeach the testimony of Mulligan.

Blaine's honor required this. Nothing short of it could possibly keep the stigma of guilt from resting on him. If Mulligan spoke the truth, Blaine was guilty. This is undeniable. If he did not speak the truth, then why did not Blaine impeach his testimony? There was no other possible way of clearing himself. He did not impeach the testimony of Mulligan because he could not—he knew it to be true; this is manifest. There was no escape, therefore, from conviction and permanent disgrace if the committee proceeded with its investigations. To prevent this the opportune "sunstroke" (so called) appealed to their humanity for postponement. This delayed action until the session of Congress, then near its close, terminated (as was easy to foresee), and thus further investigation was postponed until the next session of Congress. the position of Mr. Blaine was such that he could not meet any further investigation and remain unconvicted is apparent. And to avoid this in future he must get out of the House of Representatives, which he did, and has never returned. His actions throughout show a consciousness of guilt, as reliable and certain in determining the fact as actual confession. Properly weighed they are confession; there is positively no escape from this conclusion.

But there are other railroad channels in which Mr. Blaine found opportunities to be useful besides the Caldwell transactions—channels which have been more profitable to Mr. Blaine, and the understanding of which is of more importance to the people, because of the deeper and more permanent injury they have done them. I refer to his connection with

THE PACIFIC RAILROADS.

The history of these corporations shows them to be the boldest and most powerful for evil, and therefore the most dangerous, which this country has ever seen.

Indeed, there is no parallel in history to the haughtiness, the overshadowing power, the reckless seizure of millions upon millions of dollars, the startling corruptions, and the utter disregard of law, of honesty, and of public sentiment, which characterized the management of these companies, as shown by Congressional investigations, unless it be the atrocious acts of the British East India Company under the heartless and mercenary rule of Lord Clive and of Warren Hastings. The robbery, however, in the one case, was of our own people, while, in the other, it was of a distant heathen nation.

It is a pity that the whole history of these iniquitous transactions, the reports of Congressional committees, and the debates thereon, have not been copied in extenso from The Congressional Record, and published in a book, for the information of the people, that all might see the growing evil of the times, the overshadowing danger to our free institutions, in the dishonest accumulation of vast sums of money, wrung from the people through the connivance and partnership of their trusted yet false representatives.

I deem it of such great importance in the present issue that the leading facts here referred to should be remembered at this time, that at the risk of being tedious I will present some of them in as condensed a form as I can.

These roads (embracing the Union Pacific Railroad and the Central & Western Pacific Railroad), were incorporated by act of Congress, in 1862. A loan from the Government, of \$55,000,000 of United States bonds, payable in thirty years, was made to said companies, to assist in the construction of said roads, besides a grant of alternate sections of government land of five miles on each side of the road, excluding mineral and coal lands. By the act of 1862 the Government held, for security on its loan, a mortgage "on the whole line of the railroad and telegraph, together with the rolling-stock, fixtures, and property of every kind and description, and in consideration of which said bonds may be issued."

This mortgage would have about protected the Government in its loan, being \$27,500 per mile on the two thousand miles of road.

In 1864 an act of Congress was obtained allowing these companies to issue \$55,000,000 of bonds of their own, and give a first mortgage on said roads, to insure the sale of said bonds and their repayment, while the Government consented to give up the first and take a second mortgage (on its own property, really, for its bonds and lands more than paid for it all), to secure the heavy loan it had made. In addition to this, the land grants to said roads were doubled—ten miles on each side being given—and valuable coal lands having in the meantime been discovered, the clause in the act of 1862, reserving mineral and coal lands to the Government, was repealed. In all the annals of Congress a more unwise and iniquitous bill than this act of 1864 has never been passed. Of course it was brought about by the boldest lobby influences, and stupendous corruption, the extent and effect of which will be shown further on in this paper. On the passage of this infamous bill

THE HON. E. B. WASHBURNE,

of Illinois, whose grand, life-long record of unbending and unimpeachable integrity is admitted by all, said in his speech in opposition to it:

"We donated millions upon millions of the public lands to this company, and advanced them our bonds, and if Congress had required less than a first mortgage it would, in my judgment, have been derelict in its duty. What is it now proposed to do? I demand that gentlemen shall look at it. Nothing less than that the Government, with its liability of a hundred millions, shall relinquish its first mortgage and subordinate its lien to the liens of all the companies created for building the road (composed of the same persons whose obligations the bill proposes to release). It is to subordinate the Government to its own interests, raise money on the means the Government has furnished, give a first mortgage for the security of that money, and have the furnisher of that security, as a second mortgagee, obliged to pay off the first mortgage before it can be in a position to take advantage of any security there might possibly be in a second mortgage. Sir, on my responsibility as a representative, I pronounce this the most monstrous and flagrant attempt to overreach the Government and the people that can be found in the legislative annals of the country.

* * * I warn Congress and the people of what will be the result."

And yet the bill passed; there were "millions in it." Mr. Blaine voted for it, and worked for it.

In the United States Supreme Court is to be found the record of a suit on appeal from the Federal Circuit Court for Kansas, brought by Joseph B. Stewart against the Union Pacific Railroad Company, in the year 1868, for his services as a lobbyist and agent. This suit was preceded by a statement of the claim on which it was founded, contained in a letter from Stewart to Perry (the President of the Company), dated April 23, 1868, in which he says:

"In compliance with your request, I will state that the total claims on me for any portion of the Union Pacific Railroad (Eastern Division) Construction Bonds, are as follows:

Thomas Ewing, Jr		
—— Blaine		
C. T. Sherman		 20
H. G. Grant	. :	 4
J. P. Usher		
W. J. Keeler		 5

Thomas A. Greene, of St. Joseph, Mo., who had been Stewart's attorney in the Kansas suit, was called as a witness June 7, 1876, three days before the adjournment of the House Committee of the Judiciary, which partially investigated Mr. Blaine's transactions with the Fort Smith & Little Rock and the Northern Pacific Railroad Companies, to testify before said committee. Shocked, as they must have been, by the public disclosure of the facts resulting from the institution of this suit, it is to be supposed that the Union Pacific R. R. Company would make every effort, and resort to any device possible to shield the company from the imputed crime of having bribed a Congressman and Speaker of the House, and that in this, the Speaker himself, would play an active part. This was attempted, by an effort to show that the "--- Blaine" referred to in the copy of Stewart's letter filed in his suit, was not James G. Blaine, but his brother John E. Blaine. To this end an old power of attorney was produced, signed by the Speaker's brother John to Stewart dated 19th May, 1863, in which his brother says "that Stewart is fully empowered and authorized by me to settle my claims against the Leavenworth, Pawnee & Western Railroad Company, bearing date May 3d, 1862." What had such "claims" of his brother, of that date, to do with the fifteen (\$1,000) "construction bonds" due to "- Blaine," which were the subject of "the settlement of the 6th of January, 1866," referred to in the above letter of Stewart to Perry? If John E. Blaine was meant in Stewart's list furnished Perry, why would Stewart write it "--- Blaine,"

if he had a power of attorney covering this identical claim signed John E. Blaine? Another instrument was produced, the result of a negotiation between Stewart and J. P. Usher, counsel for the Union Pacific Railroad Company, dated October 3d, 1871, in which, between them, it was "agreed in this case that John E. Blaine was the holder of the bonds described in the pleadings in the cause as the construction bonds of the defendant" (to wit, the Union Pacific R. R. Co.), that "said Blaine was the holder of the construction bonds aforesaid in 1864." This does not say that these were what John called "my claims, bearing date May 3, 1862," in said power of attorney, but says that he was the "holder" (does not say owner) of said bonds. The banks-made parties in this suit-were also "holders" of some of these bonds, but not owners. For the weight and character of such proof the whole of the testimony of said Thomas A. Greene before the Committee of the Judiciary, in June, 1876, is referred to. In a part of this testimony, Mr. Greene says:

"As a lawyer on the examination of the record, I was very much afraid "As a lawyer on the examination of the record, I was very much afraid of the defense, that it was an immoral contract. * * I consulted Mr. Joseph B. Stewart, and said to him I was afraid of that point, and that I did not like the looks of Mr. Blaine's name connected with the case." * * "My statement was, I did not like the looks of Congressman Blaine connected with the case." * "The conversation took place while Mr. Blaine was in Congress." * "He (Stewart) never denied that Congressman Blaine was connected with it."

Question by Mr. Hale—"Did he intimate that he was connected with it?" Answer—"He did not."

The point which gave Mr. Greene uneasiness, as quoted above, was the immorality (in other words criminality) in the case, growing out of "Congressman Blaine's" connection with it. This would involve Stewart as well as Blaine, if acknowledged by him. Stewart was therefore silent on this point, neither admitting nor denying it. He certainly would have denied it however, when Greene raised the point with him, and stated his fears concerning it, if he could have done so truthfully. In the same testimony, in reply to a question of Mr. Hunton, as to whether Stewart, "in speaking of the Hon. Mr. Blaine, did he ever say James G. Blaine or James Blaine?" the witness replied:

"Mr. Stewart always spoke of him as the Hon. James Blaine, I always spoke of him as Congressman Blaine, and as Speaker Blaine, after he was spoke of mim as Congressman Blaine, and as Speaker Blaine, after he was Speaker of the House, I never used his first name. On page 66, of Stewart's printed book of depositions, he speaks as follows: I further state, as in direct examination, that the President (of the Union Pacific R. R. Company) and its counsel, the Hon. John P. Usher, have both repeatedly stated to me that I was entitled to my bonds, and ought to receive them. . . . Among others, I am informed and believe that Mr. Usher made that statement to Mr. Alexander Hay and the Hon. James Blaine in Washington."

Why was Mr. James G. Blaine talking to *Usher* about these *bonds?* and how did Stewart probably learn that Usher had admitted to Blaine (and Hay) that he (Stewart) "was entitled to the bonds, and ought to receive them?"

The Mulligan letters show what an active business man Mr. Blaine is, and that he leaves "no stone unturned" in carrying out his business arrangements to a satisfactory conclusion.

This investigation, with such testimony before it, had to be abandoned by the Judiciary Committee of the House, because in the midst of it Mr. Blaine fled from the House to the Senate, and thereby escaped from its jurisdiction.

In regard to the item in Stewart's list to Perry, of "—— Blaine, 15" (no other name in the list being given in blank as will be observed), the *New York Herald*, of August 21st, 1884, after giving lengthy extracts from the testimony taken in this case, says:

"The first transcript of the Kansas court record sent to Washington contained a letter from Stewart to John D. Perry, the President of the Railroad Company, dated April 23, 1868, setting forth that among other unsettled claims upon him for construction bonds was one of "James Blaine" for "fifteen bonds." When the case was appealed to the Supreme Court of the United States, and the record arrived in Washington, it was found that the word "James" had been omitted from this portion of the certified record, and that it was written instead, "—— Blaine, fifteen bonds." A search of the records in Topeka showed that the official copy of the original letter of Stewart to Perry had been abstracted from the files and one put in its place, which, instead of "James Blaine," read "blank Blaine." * * It further appeared from the record, that after the case had been pending before the Master and the Court for some five years, that Stewart on the 11th of December, 1873, asked for and obtained an order on John D. Perry directing him to produce the original of the Stewart letter of April 23, 1868. This order was complied with and the letter was produced in court and examined, proved to agree with the first transcript forwarded unofficially to Washington, the blank reading "James," and the entry showed fifteen construction bonds of the road set opposite the name of "James Blaine."

The claims on Stewart, as reported by him to President Perry, were for "construction bonds" of the Union Pacific Railroad Company, and he states in this report to his principal, that "—— Blaine" is entitled to fifteen of these construction bonds, as agreed between Mr. Durant and myself (Stewart) before and at the time he ratified the settlement of 6th of January, 1866." These claims Stewart says in his letter are "on me," but those in the power of attorney are stated to be on the Leavenworth Co.

The reader will find some interesting official showings concerning this Mr. Durant and his connection with the construction of this road, immediately following in this pamphlet.

DURANT-----BLAINE.

Stewart the link between—that's enough.

The foregoing gives us a sad and mortifying insight into the influences which were brought to bear in the passage of this iniquitous act of 1864, which resulted in such a startling and gigantic robbery of the people, as the evidence which I will now present clearly shows. I quote from *The Congressional Record*, volume 7, part 3, Forty-fifth Congress, from March to May, 1878, and the pages here given as reference will be found in said volume. In a report made to the House of Representatives, by the Judiciary Committee, on the subject of a sinking fund for the Railroad Companies, made to the Forty-fourth Congress, first session, referring to the construction of the Union Pacific Railroad, this committee says:

"The first contract for the construction of the road was made with one H. M. Hoxie, who seems to have been a person of little pecuniary responsibility. His proposal to build and equip one hundred miles of the railroad and telegraph is dated New York, August 8, 1864, signed H. M. Hoxie, by H. C.

Crane, attorney. It was accepted by the company September 23, 1864. On the 30th of September, 1864, Hoxie agreed to assign this contract to Thomas C. Durant, who was then Vice-President of the Union Pacific Railroad company, or such parties as he might designate. On October 4, 1864, this contract was extended to the 100th meridian, an additional 146 45-100 miles, the agreement for extension being signed by Crane, as attorney of Hoxie. Hoxie was an employe of the company at the time, and Mr. Crane, who signed as Mr. Hoxie's attorney, was Durant's 'confidential man,' as Durant himself expresses it. On the 11th day of October, 1864, an agreement was entered into by Durant, Bushnell, Lombard, McComb, all directors of the Union Pacific Railroad company, and Gray, a stockholder, to take from Hoxie the assignment of his contract, which assignment he had previously bound himself to make to such person as Durant should designate. This Hoxie contract and its assignment were a device by which the persons who were the active managers and controllers of the Union Pacific Railroad Company caused said corporation to make a contract with themselves for the construction of a portion of its road, by which, also, they got possession of all the resources which it would be entitled to by the completion of said portion, and by which they evaded, or sought to evade, the requirement that the capital stock should be fully paid in in money, by substituting for such payment a fletitious or nominal payment in road-building and equipment, each share being treated as being worth much less than its par value.

The report continues:

"The Hoxie contract had been completed, finishing the road to the 100th meridian, a distance of 146 45-100 miles. An agreement was then made, November 10, 1866, by Thomas Durant, vice-president of the Union Pacific Railroad company, with a Mr. Boomer, for the construction of 153 35-100 miles west from the 100th meridian. By the terms of this agreement Boomer was to be paid \$19,500 per mile for that portion between the 100th meridian and the east bank of the North Platte, and for that portion lying west of the North Platte, within the limits of the agreement, \$20,000 per mile, the bridge over the North Platte, and station buildings, equipments, etc., to be an additional charge. This contract was never ratified by the company, but under it the work progressed, and fifty-eight miles of road had been completed and accepted by the Government. The books of the company failed to show what this fifty-eight miles had cost the company, but from the best evidence that could be procured, your committee believed that the cost had not been to exceed \$27,500 per mile for construction and equipment, the excess over the contract price being for station-houses, etc., inasmuch as the charter required that the station-houses, etc., should be built and furnished before acceptance by the Government; and inasmuch as the records of the department show that the fifty-eight miles had been accepted, your committee feel warranted in finding that this had been done, and that the cost of the whole was not to exceed \$27,500 per mile; but, notwithstanding this, on the 5th day of January, 1867, the board of directors, by a resolution, extended the Hoxie contract over this fifty-eight miles of then completed road, thereby proposing to pay to the Credit Mobilier the sum of \$22,500 per mile for this fifty-eight miles—amounting to the sum of \$1,345,000—without any consideration whatever. The following is the resolution:

"Resolved, That the Union Pacific Railroad Company will, and do hereby consider the Hoxie contract extended to the point already completed—namely, 305 miles west from Omaha—and that the officers of this company are hereby authorized to settle with the Credit Mobilier at \$50,000 per mile for the addi-

tional fifty-eight miles."

In the same report, at page 13, is the following concerning the Oakes Ames contract:

This contract extending over 138 miles of road completed and accepted. No work was done under it until after its assignment. That portion already completed had cost not to exceed \$27,500 per mile, and by embracing this 138 miles in it these trustees derived a "profit," if such a term is admissible in such a connection, which enabled them to make a dividend among the stockholders in less than sixty days after the assignment—namely, on the 12th of September, 1867, as follows: Sixty per cent. in First Mortgage Bonds of the Union Pacific Railroad Company, \$2,244,000; 60 per cent. in stock of the Union Pacific Railroad Company, \$2,244,000. This was mainly, if not entirely, derived from the excess of the contract price over what the 138 miles had cost. The trustees proceeded to construct the road under this contract, and from a

balance-sheet, taken from the books, it appears that the cost to the railroad company was \$57,140,102.74, and the cost to the contractors was \$27,285,-950.75—profit, \$29,854,141.90.

In the same report may be found the following account of the Davis contract:

"This was a contract made with G. W. Davis, a man of but little, if any, pecuniary ability, and not expected to perform the contract, for the construction of that part of the road beginning at the western terminus of the 'Ames Contract,' and extending to the western terminus of the road—a distance of 125 23-100 miles. It was upon the same terms as the Ames contract, and was assigned to the same board of trustees. Under it the residue of the road was constructed, and from a balance-sheet taken from the books of the railroad company it appears that it cost the railroad company \$23,431,768.10; and from a balance-sheet taken from the books of the trustees, that it cost the contractors \$15,629,933.62—profit, \$7,802,084.48."

Your Committee present the following summary of cost of this road to the railroad company and to the contractors:

COST TO RAILROAD COMPANY.

Hoxie	contract	\$12,974,416 24
Ames	contract	57,140,102 94
Davis	contract	
		\$93,546,287 28

Now see the other side of the books:

COST TO CONTRACTORS.

Ames co	ntract	 	 	 	\$ 7,806,183 27,285,141 15,629,633	99 62	
Diffe	erence	 	 			\$50,729,958 	

To which should be added amount paid Credit Mobilier on account of fifty-eight miles (\$1,104,000), making total profit on construction \$43,925,-328.34. (See Congressional Record, pages 2,028 and 2,029).

"Profit!" How very accommodating is this word as here used. A man may steal a horse successfully, and carry the result in his mind, or even enter it upon his private memorandum-book thus:

One horse, value		
Profit.	\$200	00

Let us examine these estimates briefly, which I have been compelled to quote at some length, in order that the enormity of these transactions may be fully understood. It is seen by the committee's report that these railroad directors, with all their amazing boldness and greed, did not place the inflated and fictitious cost of construction and equipment higher than \$50,000 per mile. The committee, in their report, it will be observed, estimated the cost for a portion of the road at \$27,500 per mile for "construction and equipment." Doubtless some portions of the road cost more than other portions, but, taking the directors' own excessive figures, \$50,000 per mile, as an average (which would give \$100,000, if need be, for the most difficult

and expensive parts of the road), would be for the entire two thousand miles \$100,000,000. To pay for this the directors had:

United States Bonds at par\$ Their own first mortgage bonds for \$55,000,000, backed by all the	55,000,000
property, must have been cashed at nearly par, say	50,000,000
Stock, which the law required should be paid for in eash at par	90,000,000
Land bonds, on over 21,000,000 acres	20,000,000
Making\$ Entire cost by the above excessive estimate of \$50,000 per mile	215,000,000
Entire cost by the above excessive estimate of \$50,000 per mile	100,000,000
Profit (so called) to the "ring"	115 000 000

And this was taken from the people; millions upon millions, by mere manipulations and trickery. Senator Booth, of California, in his speech on this subject in the Senate, April 23, 1878, said:

"The bonds of the government were the basis of the credit upon which the companies were enabled to place their first mortgage bonds. These two classes, omitting all mention of the land bonds, amount to \$52,000 per mile to the Union Pacific, and \$64,000 per mile to the Central Pacific, and they not only built the road, but left a large margin of profit, aggregating millions of dollars. The 36,000,000 of stock in the Union Pacific and the 54,000,000 of stock in the Central Pacific do not represent money paid in. If it had been paid in, that, with the land bonds alone, would have built the road. This 90,000,000 of stock, claiming dividends, standing between the companies and their obligations to the government, does not represent one dollar nor the phantom of a dollar.

"If it represents anything, it is simply an arbitrary profit upon fraudulent contracts. The assumption that it is actual capital is a bare, naked assumption, without a fig-leaf covering of fact." (C. R., page 2,223.)

Senator Beck, of Kentucky, on the same subject, said:

"I confess, in view of the well-known history of these corporations,—their Credit Mobiliers and construction companies, false statements made as to the cost of their roads, and the millions of spurious stock, on which vast dividends are regularly paid, which represents nothing but the fraud that issued it; the withholding of 5 per cent. of net earnings for many years after they had obtained our bonds and lands, and the subterfuges they have continually resorted to for the purpose of swindling the taxpayers of the country, from whose sweat and toil all of these millions have been wrung, and in the face of the avowals that they intend to continue to take all and save nothing to enable them to pay their debts,—that it amazes me to hear that the effort we are now making to save something for the people, and to prevent the consummation of avowed frauds and breaches of contract, even when congress on the very face of the contract reserved the power to do so, is a wrong and an outrage on the rights of these companies. I have long thought that the day was not far distant when the question would have to be settled whether railroad corporations controlled congress or congress regulated them. This will perhaps be a test case; we could not have a better one."

At another point in his speech, Senator Beck said:

"Independent of the postponement of our vast debt to a private debt, we gave them, as the judiciary committee show in their report, coal lands alone, as their directors say, larger than all the anthracite coal-fields of Pennsylvania. We gave them 21,100,000 acres of land, or over 33,000 square miles, more territory than is contained in the six states of Massachusetts, New Hampshire, Rhode Island, Connecticut, New Jersey and Delaware, all of this vast domain being within ten miles of a great transcontinental railroad. More, I repeat, than six states represented by twelve senators on this floor. The territory is an empire of itself, and if these railroads are allowed now to defy our power, they will perhaps in a few years have more than twelve senators themselves." (C. R., page 2,142.)

On this point of the subject, speaking of these companies, Senator Edmunds, of Vermont, said:

"The consolidation of its stock into the hands of three or four great operators, who thus become the KINGS OF THE RING, and rulers of the corporation, and so the rulers of all that section of the country, in a certain sense, over which the railroad runs, the lords paramount of every hamlet, and every city in the two thousand miles that stretch from the Mississippi to the Golden Gate." (C. R., page 2,360.)

In a report of the Judiciary Committee of the House of Representatives, made to the Forty-fourth Congress, first session, at page 20, will be found the following striking statement concerning the Union Pacific Railroad Company:

"That the moneys borrowed by the corporation under a power given them only to meet the necessities of the construction and endowment of the road, have been distributed in dividends among the corporators. That the stock was not issued to men who paid for it at par in money, but who paid for it at not more than 30 cents on the dollar in road-making, and that there has been an attempt to prevent the exercise of the reserved power in Congress by inducing influential members of Congress to become interested in the profits of the transaction."

(This was precisely the point of contest, as will be seen hereafter, Blaine attempting to tie the hands of Congress, and Thurman and Edmunds opposing it.) The report shows that, in fact, the men engaged in this enterprise never risked a dollar of their own capital by the possibility of loss, and that they not only constructed the road from the resources which came from the Government, but that they made enormous profits from these, thereby leaving the Government with no adequate security for the reimbursement of the subsidy bonds. On page 14, the same report says:

"These companies on their own showing are making large profits, and are abundantly able to pay and indemnify the Government against future loss, and pay liberal dividends besides on the par value of stock, which cost its original owners not more than 30 cents on the dollar in road-making, which road-making paid itself enormous profits—profits realized through the National Credit Mobilier of America. These net earnings, as reported by the companies, are over 16 per cent. on the nominal capital stock of the Union Pacific company, or, in fact, 50 per cent. for the year 1875 on the real cost of the stock, while, as to the Central Pacific company, the net earnings are nearly 15 per cent. on the nominal capital stock, and how much on the real cost of the stock is not disclosed." (C.R., page 2,018.)

In 1873 a select committee of the House of Representatives was appointed under a resolution to make inquiry in relation to the affairs of the Union Pacific Railroad Company, the Credit Mobilier of America, etc., and they submitted their report on the 20th of Feb'y of that year, being No. 78 of the third session, Forty-second Congress. At page 9 of this report the testimony of Mr. I. M. S. Williams, who was one of the contractors, was given as follows:

Question—Then what purpose had you to propose to build a road that had already been built by the Company at a cost to them of less than the amount mentioned in your proposition?

Answer—We were identical in interest. The Credit Mobilier and the Union Pacific Railroad Company were the same identical parties; we were building it for ourselves, by ourselves, and among ourselves; there was not \$20,000 outside interest in it.

Senator Bayard, in commenting on this testimony in his speech on the Thurman bill in the Senate, in 1878, said:

"I do not propose to repeat the sad and shocking history of that Credit Mobilier Corporation, and its complete identification with the Union Pacific Railroad Company. It is a stain that will never be wiped out, on Republican institutions . . . Contracting with themselves, the very corporators, the trustees into whose hands this property of the American people had been so generously given, in the sacred trust and confidence that they would use it honestly and only for the great public ends, and in the manner prescribed by the acts of Congress, how did they use it? Availing themselves of this creation of the law by which a mere corporate title shall stand instead of a real person, they dealt with themselves, they dictated their own profits, they sold out the powers that were entrusted to them so generously for the benefit of their fellow-countrymen, for their own aggrandizement." (C. R., page 2,297.)

"Credit Mobilier!" The very name in American ears is the synonym of infany. I cannot leave the main question to take up this, but in passing will simply call to mind the famous Oakes Ames corruption list, brought to light by the testimony of H. S. McComb. At the head of the list of those whom Ames had found willing, for a consideration, to assist in carrying out this monster scheme of unmitigated dishonesty, was "Blaine, of Maine, 3,000." Farther down the list we find the item, "Colfax, 2." Here is a short sum in moral arithmetic. If two steps taken in this slough of corruption caused Colfax to be relegated from his high political position to the permanent shades of private life, what effect should three thousand have upon the man whose record at every point is found to be of like uncleanness?

By the act of 1862 these railroad companies were required to pay annually into the United States Treasury 5 per cent. of their net earnings to assist the Government in meeting the interest on the bonds loaned them. Although paying such heavy dividends on fraudulent stock, as the report from a Congressional committee herein quoted shows, up to this time (1878) they had not paid one cent of their net earnings into the United States Treasury. Emboldened by their immense gains, and realizing the mighty power and influence of abundant money used in quarters "where it would do the most good," they reached the climax of audacity when they coolly stated to Congress and to the Government officials that they would so manage the road (unless they were permitted to dictate their own terms) that by the time the Government bonds fell due, and the claim of the Government against them matured (which claim as estimated would then be about \$122,000,000), that the road, if sold, with all its appurtenances, would probably not bring more than enough to satisfy the first mortgages to wit, \$55,000,000, or \$27,500 per mile, leaving the Government minus the entire amount of its claim. I gather this from the following statements: Mr. C. P. Huntington, Vice-President of the Central Pacific Railroad, when before the Judiciary Committee of the House, in speaking of the Government debt, and the first mortgage debt, the last equal to the first and given precedence over it by the act of 1864, said: "By the time both mature and become payable it is not at all likely the property will be worth their aggregate sum, and if the shrinking and settling of prices should continue farther, it may happen that it will not suffice to pay more than the first mortgages."

Senator Bailey, in his speech in the Senate on March 28, 1878, referring to this statement of Mr. Huntington, and to a similar statement made by Mr. Dillon, President of the Union Pacific Railroad Company, said:

"These carefully considered statements are accompanied by equally well considered declarations, to the effect that by the terms of the acts of 1862 and 1864, the officers of the two companies have the moral as well as the legal right to distribute the earnings of the two roads to the stockholders. And although this course will certainly lead to the insolvency of the corporations, as they agree, they very plainly threaten that unless the Government will yield to their terms, they will manage affairs solely with regard to the interests of the corporation, and without regard to the just claims of creditors." (C. R., page 2,101.)

Referring to the situation, Senator Beck said:

"The time for prompt action has come, if Congress does not intend to surrender all the rights of the people. These men almost avow that they intend to violate their contract, and destroy the vested rights of this people to the extent of \$122,000,000, a sum larger than was spent for the support of this Government from 1789 to 1812. And we, as trustees for the people, would be co-conspirators with them if we did not so change the law as to prevent the consummation of this fraud on the rights of the taxpayers of this country, whose money and property they have obtained, and whose money they avow they intend to use for their own purposes and never pay back a dollar of. Shall we stand with our arms folded, and see all these great wrongs perpetrated? I trust we are not yet such abject slaves of these railroad kings." (C. R., page 2,143.)

Such was the situation in regard to these railroads (and I have stated it fully that those who read this paper may understand it clearly), when Senator Thurman introduced his funding bill, through a desire to protect, as far as possible, the interests of the people, and to compel these arrogant capitalists, by yearly payments into a sinking fund, to provide in part, at least, for the liquidation of their debt to the Government, at maturity. It was a just and wise measure, and imperatively called for by the situation of affairs.

THURMAN'S FUNDING BILL.

The substance of this bill was as follows: It established a sinking fund, in charge of the Secretary of the Treasury. The amount of the entire charges of these companies against the Government for transportation, etc. during the year, was to be withheld, and one-half applied to the payment of interest on United States bonds loaned to said companies, and the other half to be turned into said sinking fund. The manner of computing the net earnings of said roads (which had been iniquitously evaded) was prescribed and regulated by this bill. And the percentage was changed as follows: The Central Pacific Railroad was required to pay into the United States Treasury, on the 1st day of February in each year, \$1,200,000, or so much thereof as would make the 5 per cent. of its net earnings, added to the whole amount of its claim for services rendered the Government, amount in the aggregate to 25 per cent. of the whole net earnings of said railroad company for the preceding year. And the Union Pacific Railroad Company was required to pay into the United States Treasury \$850,000 per annum, under like conditions. The receipts thus realized were to be placed

in said sinking fund. No dividends were allowed to be paid to any stockholder until these annual payments to the government had been fully made, under penalty upon each director voting for, or any stockholder receiving such dividend, of a fine of \$10,000, and imprisonment not exceeding one year, for violation of this last provision. This bill, after reference to the Committee on the Judiciary, came before the Senate, and was debated for many weeks, in the spring of 1878. Mr. Blaine, as the acknowledged champion of the railroads, led the opposition against the interests of the Government, and of the people, and tried, by every device which he could think of to defeat the bill. He offered an amendment, which Senator Thurman declared was "a stab at the very heart of the bill," and would be a "death blow" to it if adopted; that said amendment, if inserted, "would be the best bargain this company ever made; "that it was "one of the things for which these railroad companies have been striving for many years," but that it was the first time they had ventured, or that "any one in the Senate of the United States had ventured, to champion such an idea." And yet Mr. Blaine ventured; he is "no deadhead in such enterprises;" he was fighting under the eyes and approving smiles of that special lobby, and he saw "channels" leading to wealth and future luxury which the grand old Roman from Ohio, ever true to honor and to the best interests of his country, never dreamed of. The man who could stand up under the transparent infamy of the "Mulligan letters" thought little of the exposure of his treachery, and of his utter disregard for his official trusts in offering this amendment, and in pleading for its adoption. His course on this occasion shocked the just sense of honor and received the indignant denunciations of the best and purest men in the American Senate, of all parties. To prove this, and to show his position more clearly, I give the following extracts from the speeches of Senators Thurman and Edmunds, on this occasion. Referring to the amendment offered by Mr. Blaine, Senator Thurman said:

"If such an amendment as that of the Senator from Maine should be inserted in this bill, it would be the best bargain this company ever made.

* I affirm that this Government had better lose every dollar due and all that is to come due by these companies than to give up that right which it has to alter, amend or repeal the charter. The amendment of the Senator from Maine is the worst attack upon this bill that could be made. He knows very well that with that provision fastened on to this bill the bill will not only not be worth the paper on which it is written, but it will be far worse than nothing. He knows that it would be a fatal death-blow given to this bill. Let no one deceive himself about this. Let no one imagine that he can be a friend to the Judiciary Committee bill and at the same time a friend to the amendment of the Senator from Maine. The amendment of the Senator from Maine is prussic acid to this bill; it can not survive a day—not an hour, perhaps, after that amendment is adopted. It is a stab at the very heart of the bill. It is as fatal as any stab can possibly be. I hope, therefore, the friends of this bill, those who mean to make these companies live up to their obligations, and do what they assumed to do; those who mean that these companies shall know that the Government is their master, and that they are not the masters of the Government—will see that no such poison is taken into this bill as the amendment of the Senator from Maine."— (Congressional Record, page 2,337.)

At another point in the same debate Senator Thurman said:

"The pending amendment before the Senate is the amendment of the Senator from Maine, Mr. Blaine. I have said that this bill is not framed upon the idea contained in that amendment. That amendment goes upon the idea that we ought to make an act that shall be unchangeable for twenty years. It goes further than that; a great way further than that. It goes upon the idea of repealing pro tanto the reserved power in these charters, to alter, amend, or repeal these acts. Mr. President, one of the things for which these railroad companies have been striving these many years, has been to get rid of that very reserved power, but this is the first time that they have ventured—no, not they; I beg pardon for saying that—this is the first time that anyone in the Senate of the United States has ventured to champion such an idea. Their officers and lawyers, in their arguments before the Judiciary Committee last November and December, urged upon us strenuously enough that we should make some kind of a bargain with these companies, and they would be extremely liberal if we would only give up the right to alter, amend, or repeal their charter. Those arguments taken in short-hand will show that it is the cherished object of these corporations to get rid of that power of control which Congress possesses over them." (C. R., page 2,378.)

It ll be seen by the following extract from his speech, that Senator Edmunds charged point-blank that the amendment proposed was in the interest of the companies, and deeply unjust to the people. It was an effort to tie the hands of Congress for twenty-two years, to prevent its interfering in any manner with said companies for the protection of the interests of the Government or of the rights of the people generally. Senator Edmunds, in his speech against this amendment offered by Mr. Blaine, said:

"And the time may come, if the lobby still continues to be successful, as it has been hitherto, and these companies, I will say, should be successful in now so entangling this legislation, as to break it down by amendments proposed in their interest, or substitutes proposed in their interest, the time may come come when the voice of the just judgment of the people will be heard in such a way that the management of this great corporation will be placed in the hands of impartial and fair and safe men, and that if your hands are to be tied for twenty-two years in respect of all the financial administration of these corporations, touching not only the millions of our interests, but the millions of our other debts that we are bound to protect, there will still be in the enforced sense of public justice from the people (which at last reaches us) a means of regulating the management in such a way that the money will not then be squandered." (C. R., page 2,361.)

During the delivery of this speech, Mr. Blaine suggested that Mr. Edmunds had been "fruitful of provisos," to which Mr. Edmunds replied:

"Mr. President, I have never been fruitful of provisos which tied up the hands of the Congress of the United States from the future exercise of its sovereign power. The Senator from Maine is the original father—there is no grandfather and no collateral relation—of a proposition in the Legislature of this country, of the Congress of the United States (since the time when the evil of the hands of the States and of Congress being tied up has been discovered in the last few years), to provide that in any respect, or under any circumstances, the hands of the legislative power shall be held off from the exercise of their legitimate and constitutional control over public corporations." (C. R., page 2,362.)

Senator Edmunds (as will be observed in the foregoing extract from his speech) referred with deep significance to the efforts and influence of the lobby on the pending legislation, seeking to defeat the bill by "so entangling this legislation as to break it down by amendments proposed in their interest."

Referring to the same persistent and active influence, Senator

Thurman said in one of his speeches on this occasion: "I have seen this Senate Chamber filled with the railroad lobby, I have seen the galleries filled, I have seen the corridors filled, I have seen the Committee-room besieged, I have seen Senators besieged at their own houses by the railroad lobby." How plainly these statements show the corrupting influences that were at work, and why it was that Mr. Blaine, consistent with his whole record, was the open and undisguised champion of these railroad companies, and the active, unscrupulous servant of this corrupt lobby. But true to their country, and to the high trusts confided to them, Senators Thurman and Edmunds, forgetting all party differences, stood shoulder to shoulder in this gallant fight, and won the victory. The amendment was rejected, and the bill was passed by a vote of 40 to 20—16 being absent. The year included Thurman, Edmunds, Anthony, Bayard, etc., the best men of both parties. The nays were composed of Blaine, Dorsey, Kellogg, Paddock, etc., a list that shows for itself. The bill went to the house, and Ben Butler (who is said to have been an attorney in the employ of these railroads while a member of Congress), made a long speech against it, but such was its clear merits that it passed, 243 to 2, Butler and Lynde being the two. And now, forsooth, Blaine and Butler, the two Dromios of the political arena, with sublime impudence, are posing serenely before the American people as anti-monopolists! and friends of the workingman! Look at their record.

But to return, such is the corrupting influence of this formidable railroad power, that although six years have elapsed, nothing has been done at Washington to enforce the Thurman bill, and last spring (1884) a Committee of the Senate, of which Mr. Edmunds is Chairman, prepared a report (which has not yet reached the Senate) showing that the Union Pacific Railroad Company, up to that time, had not paid into the United States Treasury one cent of the 25 per cent. provision in the Thurman bill, and, wholly disregarding the law, had paid out since this act was passed over \$19,000,000 in dividends, notwithstanding the severe penalties imposed by said act for doing so. Such is the situation now, waiting only for the inauguration of President Blaine to make everything lovely in the camps of the railroad millionaires.

Jay Gould, Russell Sage, Sidney Dillon, and company, will smile with ineffable sweetness over such a culmination of their dearest hopes and forthwith proceed to put up bigger jobs than ever against the people.

Now, is there any intelligent man in America who doubts that the Thurman bill will be enforced should Grover Cleveland be elected? I do not believe that there is one. Is there any such man who expects it to be enforced should James G. Blaine be elected? Not Senator Edmunds, certainly.

I have heard it stated that these millionaire ringsters expended nearly or quite a million of dollars to prevent the return of Mr. Thurman to the Senate. And we all know the powerful influence which they brought to bear in the June convention, which resulted in the nomination of their most obedient servant, Mr. Blaine. We hear that Mr. Blaine's National Committee is straightened for funds, and that strenuous efforts are being made to raise them, etc. Depend upon it, this is all a blind. Elkins would not now be in such close and intimate relations with Blaine if he were not the intermediate man, the "soap" dispenser. These railroad barons will spend twenty millions, if necessary, for the election of their "plumed knight."

In the degenerate days of Rome, when the Empire was hastening to its fall, the Praetorian Guards put up the Emperorship to the highest bidder—so much money per head to each soldier—and it was thus bought by Julian. In the late election in Maine we are told that "money flowed like water," and that "at least fifteen thousand votes" (in that small state) "were bought and paid for" by the supporters of Blaine, and now the "rascal counters" are being hastened to Ohio to influence the approaching election there. Indeed, it is an hour of great peril to the Republic; the fight against bold, unscrupulous corruption is fully upon us.

The Chicago Tribune, on the 10th day of June, 1876, gave the following voluntary and truthful testimony:

"Among the candidates named was Mr. Blaine, and he was the most popular of all. He was bold, aggressive, magnetic, and eloquent. But his personal rivals had prepared for his candidacy. Conkling and Morton and Butler had made up his record. They knew him as the people did not know him. They knew him as the man who had voted for or failed to oppose every subsidy of either land or money asked while he was in congress. They knew him as the man who had voted for the audacious robbery by which the government lien for its \$64,000,000 advanced to the Pacific railroads was changed from a first to a second mortgage. They knew him as a lobbyist before he entered congress, seeking contracts for the supply of arms. They knew him in congress, and while speaker, as the inside friend of corporations; concerned in legislation to benefit such corporations, ruling as speaker to save their bills, and as claiming rewards for his official actions; as engaged in selling the worthless bonds of such corporations, receiving large gratuities therefor, as confessed in his letters; and finally, when pecuniarly involved, getting the Pacific Railroad Company, as it seems almost certain, to give him \$64,000 cash for what was notoriously not worth 64,000 cents, although he declares in one of his letters that he paid out that money in forty-eight hours thereafter. The record of all this, in Mr. Blaine's own handwriting, these personal rivals of Mr. Blaine have made public. It is immaterial how they became public, or through whose agency. These letters are all Mr. Blaine's—his own record of his own operations as a jobber in contracts, in railroad legislation, and in wild-cat securities, and of his pecuniary obligations to the Pacific Railroad Company.

"Unfortunately there is not a speech, nor a vote, nor a letter of Mr. Blaine's on record that in the slightest sense can be tortured into favoring reform, abolishing useless offices, reducing expenditures, purifying the civil service, or cutting off any of the abuses which have stunk in the nostrils of the people.

"Is this the record of a reformer? Of a man to purify the administration, to exterminate congressional corruption, and raise the standard of political and official morality? The Tribune has objected to perilling the party triumph by the nomination of a party candidate thus loaded down and impeached, not by confederates or democrats, but by republicans." pendents, but from the leading republican newspaper of the northwest, acting with seeming zeal under the behests of its party at the present time.

It shows conclusively what Mr. Blaine was in 1876. I have quoted abundant proofs in this paper to show what he was in 1878, and nobody has any reason to believe that he is any better now. Blaine has grown gray, and grown rich also, by a deliberate and persistent betraval of the public trusts confided to him, freely selling his wares in the market to any that would buy. He has submitted so long and so freely to the polluted embraces of Jay Gould, and Dillon, and Huntington, and Caldwell, and Ames, and Dorsey, and Robeson, and Elkins, and many others high and low, that it is too late now for him to plead chastity to them, or such as them, and he would not think of such a thing. There is, therefore, no hope for reform with To elect him president will be a deep and abiding evil, a long step toward the downfall of the republic. Apart from the immense money losses to the government through his ineradicable penchant for official speculations (and as president his active mind would see many tempting "channels" in which he could be "useful," in this regard), his election, with the brand of unquestionable guilt upon him, would be in effect to excuse bribery and to dignify corruption. It would stimulate and encourage treachery in office of the boldest character, and tend to the complete subversion of public interests to private ends. The wily lobbyist, the Oakes Ames sort of man, engaged in placing money "where it will do the most good," would then have an unanswerable argument with which to attack and overcome the otherwise honest impulses of aspiring legislators and of representatives of the people in every kind of official position: "Do you want wealth? do you want public honor? do you want high official position? Look at Blaine; remember his record. You cannot do any worse than he did." Are the honest, intelligent men of the republican party ready to strike such a cruel blow as this against the good name and dearest interests of their country? Will they permit the prejudices engendered by party zeal to so stultify and enthral them as not to examine the facts closely and faithfully for themselves? Surely we are all equally interested and desirous for political decency, honesty, and good government. Every citizen in this matter is the peer and equal of any and of all, and to each attaches the equal and just responsibility of upholding to the extent of his power and influence the moral dignity and purity of his government. Thousands of the best and purest men in the republican party have already come out boldly in this matter, not for party, but for honesty and decency and good government, in spite of party. It is the duty of true men everywhere to examine this question well for themselves and to act accordingly. The solemn warnings of Washington in regard to the dangers of party spirit are proving prophetic; it is the one weak point in our form of government, and its test is now fully upon us; honest men must stand shoulder to shoulder, as did

Thurman and Edmunds and Bayard and Anth 1878. Nothing but the intelligence, sturdy in mined adherence to principle—honest and purepeople of all parties can save us from the demorating infamy which threatens us.

Mr. Blaine is the man with an "itching palm" men of the present day; his plumes are the funeral honor—dead and buried long ago. To elect him prexpunge his guilt, nor remove one single indelible tattetensely corrupt record. The man would not be purified there, the party which supports him would be lowered to his standard, and the office which Washington filled degraded by the act. It is not, therefore, J. G. Blaine that is on trial now, but the people of this country.

Cover it with words, and specious arguments, and side issues, as you may, there is no disguising the plain, undeniable fact, which stares every intelligent man in the face, that the presidential contest is narrowed down to the one great distinguishing point of difference between the two candidates, as shown by the record of each, and which defines the issue sharp and clear—honesty versus corruption. Cleveland, by his clear head, brave heart, sterling integrity and untiring faithfulness in the interests of the people, has made his name "the synonym of political courage, and honesty, and administrative reform." Blaine, as stated by a committee and select gathering of a number of the purest and best men of the republican party, "is unworthy of respect and confidence—he has traded upon his official trust for his pecuniary gain, and is a representative of men, methods and conduct which the public conscience condemns, and which illustrate the very evils that honest men would reform."

Against the dark background of Blaine's undoubted perfidy, the official record of Gov. Cleveland stands as a pillar of light—clear, clean-cut, immaculate. Look at it! Not a whisper against his official integrity, not a doubt as to his uncompromising honesty and faithfulness in every official trust which he has held. Malice itself is silenced here!

Look on this picture, then on that; which is preferable? The real question is certainly reduced to this, and only this. The presentation to the whole people of this country now is, behold, there is set before you this day good and evil, honest government or gigantic corruption; which shall we have?





